FOREIGN OPERATIONS APPROPRIATIONS/No Aid to Vietnam

SUBJECT: Foreign Operations, Export Financing, and Related Programs Appropriations Bill for fiscal year 1997...
H.R. 3540. Smith amendment No. 5027.

ACTION: AMENDMENT REJECTED, 43-56

SYNOPSIS: As reported, H.R. 3540, the Foreign Operations, Export Financing, and Related Programs Appropriations Bill for fiscal year 1997, will provide \$12.22 billion in new budget authority for foreign aid programs in fiscal year (FY) 1997. This amount is \$707.3 million below the President's request, \$161.6 million below the FY 1996 appropriated amount, and \$298.8 million more than the House-passed amount.

The Smith amendment would strike a bill provision that will give \$1.5 million in bilateral economic aid "to assist Vietnam to reform its trade regime through, among other things, reform of its commercial and investment legal codes." The Committee report notes that this aid will "assist the Government of Vietnam's efforts to develop trade relations with other nations through reforming its legal system and trade regime so as to provide the necessary framework for commercial transactions, foreign investments and trade."

Those favoring the amendment contended:

Vietnam is ruled by a brutal communist dictatorship. It does not have free elections; it does not have a free press; it imprisons its citizens without trial or even charges. Hundreds of thousands of Vietnamese have risked their lives, and many have lost their lives, fleeing from this despotic and ruthless regime. Vietnam is in default on \$150 million in debt to the United States. It is against the law to give foreign aid to a country that is in default. No Senator disputes any of the above statements. Nevertheless, in previous votes, a majority of our colleagues have voted to lift sanctions against Vietnam and to open diplomatic relations. We strongly opposed those efforts, but we were in the minority. Those votes made it legal for American companies to begin trade with Vietnam, and they also made this brutal dictatorship eligible for United States assistance through multilateral lending organizations. Again,

(See other side)

YEAS (43)			NAYS (56)			NOT VOTING (1)	
Republicans Democrats		Republicans Democrats		Republicans Democrats			
	(33 or 62%) (10 or 22%)		(20 or 38%)	(36 or 78%)		(0)	(1)
Abraham Ashcroft Brown Burns Campbell Coats Coverdell Craig D'Amato Domenici Faircloth Frahm Frist Gramm Grassley Gregg	Hatch Helms Hutchison Inhofe Kempthorne Kyl Lott McConnell Nickles Pressler Santorum Smith Snowe Thomas Thompson Thurmond Warner	Baucus Byrd Conrad Dorgan Feingold Kohl Moseley-Braun Reid Wellstone Wyden	Bennett Bond Chafee Cochran Cohen DeWine Gorton Grams Hatfield Jeffords Kassebaum Lugar Mack McCain Murkowski Roth Shelby Simpson Specter Stevens	Akaka Biden Bingaman Boxer Bradley Breaux Bryan Bumpers Daschle Dodd Exon Feinstein Ford Glenn Graham Harkin Heflin Hollings	Inouye Johnston Kennedy Kerrey Kerry Leahy Levin Lieberman Mikulski Moynihan Murray Nunn Pell Pryor Robb Rockefeller Sarbanes Simon	EXPLANAT 1—Official I 2—Necessar 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	nced Yea nced Nay Yea

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we are not at all pleased that millions of taxpayer dollars are going to Vietnam through the International Monetary Fund, the World Bank, and the Asian Development Bank, but we have already lost on the votes that made that aid possible. Apparently, though, this aid is not enough for some Senators, because they have slipped a little item into this bill that will make the United States give \$1.5 million in bilateral aid to the communist Government of Vietnam.

Senators tell us that this money will be used to help Vietnam set up a legal system that will establish the rule of law, and that Vietnam has requested this aid. They also tell us that the money will go to American legal institutions that will provide the aid. Listening to our colleagues, one might well gain the impression that Vietnam was looking for help in moving toward democracy. Vietnam, though, is looking for nothing of the kind--it is interested only in profiting from trade--and this money will do absolutely nothing to help the people of Vietnam escape from communist tyranny. This aid will benefit only the Government of Vietnam and the rich, multinational corporations that are eager to trade with it. Telling us that the American Bar Association (ABA) will spend the money instead of the Government of Vietnam hardly reassures us; the money will be spent for the benefit of the Government of Vietnam. Further, if the ABA thinks that it is such a great idea to help a brutal communist dictatorship make money, we suggest that it spend some of its own money to provide that help. Every year, the ABA gives tens of millions of dollars in campaign contributions to Democratic candidates for office; surely therefore it can come up with \$1.5 million for the communists in Vietnam if it thinks that it is such a good idea to give them help.

The only legal reforms that will be made with this \$1.5 million will be to the Vietnam Government's trade regime. Vietnam is not interested in democratic reforms; it is interested in making money, and this \$1.5 million is intended to help it achieve that end. Not one cent will be spent on legal reforms promoting democracy or human rights; all of the money will be spent on helping the communist government learn how to manage trade relations. The result will be to strengthen the communist government by making it richer. The result will be more, not less oppression. The only other result will be more money for the corporations that will gain Vietnam as a trading partner.

A final consideration for Senators is that Vietnam is in default on \$150 million that it owes the United States. Our colleagues tell us that Vietnam has agreed in principle on repaying all but \$8 million of that amount; we respond that it has not paid back that \$150 million. Once it does, it will be legal to give it aid, but not before. Some Senators have noted correctly that the United States has in many instances before waived the ban on aid to countries in default; they do not say that those waivers were to give aid to help countries crack down on illegal drugs. Waiving the ban to give aid to a communist dictatorship in order that we might help it and American companies make more money is an entirely different matter.

America should stand for more than corporate profits. We should not place our commitments to democracy, liberty, and human rights beneath our desire to make money. The Smith amendment would stop this unconscionable use of taxpayer funds. We urge Senators to vote in its favor.

Those opposing the amendment contended:

We have a totally different opinion than our colleagues on both the purpose of this provision and on its effect. Giving this \$1.5 million in assistance will in no way strengthen communism in Vietnam. Instead, it will move it closer to freedom. Communism is a totalitarian system that at its core denies the right to private property. It rules by force rather than by the rule of law. Around the world, communism as a theory is losing all credence due to its abject failure, and it is being abandoned in practice. In the Soviet Union and Eastern Europe the collapse was sudden, but the change from a command economy to a market economy has necessarily been more gradual because it takes time to establish the legal framework that is necessary for a market economy to function. Three major totalitarian communist countries still exist--China, Vietnam, and Cuba. China, though, has been gradually abandoning the core premise of communism by promoting private enterprise. More than 50 percent of China's economy is now in private hands. The Government of Vietnam has made it clear that it wants to follow the same path. We should encourage it. By switching from command economies to market economies, these countries are undermining their very excuse for existence. We believe that economic freedom will inexorably lead to greater human and democratic rights. If we refuse to give this aid, which is desired, the result will be less economic freedom, and a continued concentration of power in the hands of the communists. Senators can be confident that this money will be well spent, because it will go to international legal organizations, including the ABA, rather than the Government of Vietnam. Those organizations have already done an admirable job of designing legal systems for the newly free countries of Eastern Europe; we are confident that they will do an equally admirable job for Vietnam. We do not favor the repressive, antidemocratic policies of Vietnam. We believe that giving this \$1.5 million in aid will weaken those policies. Therefore, the Smith amendment should be rejected.